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綠能國際

SINOGREEN ENERGY INTERNATIONAL GROUP LIMITED
中國綠能國際集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

After preliminary review of the consolidated management accounts of the Group for the six months ended 30 June 2014, the Board wishes to inform Shareholders and potential investors that the Group is expected to record a significant decrease of consolidated net profit of the Group for the six months ended 30 June 2014 as compared with that for the corresponding period in 2013 or even record a loss for the six-month period ended 30 June 2014 as a result of the absence of a one-off gain for the six-month period ended 30 June 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Shareholders and potential investors of the Company should also note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the Statement in assessing the merits and demerits of the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder and the Possible Offer as disclosed in the Joint Announcement and/or when dealing in the Shares.

This announcement is made by Sinogreen Energy International Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

After preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014, the board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant decrease in the net profit of the Group, or even a loss, for the six months ended 30 June 2014 (the “**Interim Period**”) as compared with that for the corresponding period in 2013 (the “**Statement**”).

As disclosed in the annual report of the Company for the year ended 31 December 2013, the Group successfully unwound an acquisition of liquid crystal on silicon (“**LCoS**”) television business (“**Acquisition**”) and the convertible bonds and promissory notes issued to the vendors (“**Vendors**”) in consideration of the Acquisition, which involved (i) the disposal of the patents related to the LCoS television production to Taiwan Micro Display Corp. (“**TMDC**”), the original vendor who sold the LCoS television business to the Vendors, and the termination of certain agreements with TMDC, in return TMDC had returned HK\$187,200,000 convertible bonds to the Group for cancellation; and (ii) a judgment from the High Court in Hong Kong handed down in June 2013 in favour of the Group, declaring that the Group was entitled to terminate the acquisition agreement and the return to the Group of convertible bonds in the principal amount of HK\$112,800,000 and promissory notes in the amount of HK\$87,500,000, and cash of HK\$275,000,000 from the vendors, plus relevant interests thereof. Following the completion of the aforesaid unwinding, the Group cancelled the convertible bonds of HK\$187,200,000 issued to TMDC, as well as the convertible bonds of HK\$112,800,000 and promissory notes of HK\$87,500,000 issued to the Vendors. For accounting treatment of such cancellations, certain assets and liabilities of the Group were derecognised, resulting in a one-off gain of approximately HK\$359,400,000 for the six months ended 30 June 2013.

Based on the information currently available to the Board, it is expected that the absence of the aforesaid one-off gain in the Interim Period would result in a significant decrease, or even a loss, in the net profit of the Group for the Interim Period as compared with that for the corresponding period in 2013.

As the Company is in the process of finalizing the interim results of the Group for the Interim Period, the information contained in this announcement is based on the preliminary assessment of the information currently available and the preliminary unaudited consolidated management accounts of the Group for the Interim Period and is not based on any figures or information which has been audited or reviewed by the auditors. The interim results announcement of the Group for the Interim Period is expected to be released on or before the end of August 2014.

Reference is made to the announcement dated 25 July 2014 (the “**Joint Announcement**”) jointly issued by the Company and Reach Luck International Limited (the “**Offeror**”) in relation to, among other things, the possible mandatory unconditional cash offer (the “**Possible Offer**”) by Fortune (HK) Securities Limited on behalf of the Offeror to acquire all the then issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

With the publication of the Joint Announcement, the offer period has commenced since 25 July 2014. Pursuant to Rule 10 of the Takeovers Code, the Statement constitutes a profit forecast and must be reported on by the Company’s financial advisers and auditors (the “**Profit Forecast Reports**”) under Rule 10.4 of the Takeovers Code. Taking into account (i) the practicable difficulties to include the Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the Profit Forecast Reports by the Company’s financial advisers and auditors; and (ii) the requirement of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Profit Forecast Reports have not been prepared as required under Rule 10 of the Takeovers Code. The Profit Forecast Reports are expected to be contained in the composite offer document (“**Composite Offer Document**”) to be jointly issued by the Company and the Offeror in respect of the Possible Offer to be despatched to the Shareholders under the Takeovers Code. However, the requirement under Rule 10.4 of the Takeovers Code to prepare the Profit Forecast Reports will no longer apply in the event that the interim results of the Group for the six months ended 30 June 2014 are published in accordance with Rule 10.9 of the Takeovers Code before the despatch of the Composite Offer Document.

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Shareholders and potential investors of the Company should also note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the Statement in assessing the merits and demerits of the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder and the Possible Offer as disclosed in the Joint Announcement and/or when dealing in the Shares.

By Order of the Board
Sinogreen Energy International Group Limited
Chau Chit
Chairman

Hong Kong, 30 July 2014

As at the date of this announcement, the Board consists of two executive directors, Mr. Chau Chit and Mr. Tang Hao; and three independent non-executive directors, Mr. Lum Pak Sum, Mr. Wong Wai Kwan and Ms. Zhou Jianhong.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.